

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 10.9 percent in September

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Editor's Note: Preliminary September and revised August labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate fell to 10.9 percent in September 2009 from a revised 11.2 percent in August 2009, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. September 2009's jobless rate is 4 percentage points higher than the 6.9 percent rate recorded in September 2008.

"Kentucky's economy continued to struggle under the weight of the recession, suffering the biggest monthly employment decline and the largest number of year-over-year job losses on records dating back to January 1990. The drop in the unemployment rate reflects individuals who have faced long-term unemployment becoming discouraged and dropping out of the labor force," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate rose from 9.7 percent in August 2009 to 9.8 percent in September 2009, according to the U.S. Department of Labor. This 9.8 percent rate is 1.1 percentage points below the 10.9 percent rate recorded in Kentucky in September 2009.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

One of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in September 2009, while 10 decreased, according to OET. A decrease of 14,600 jobs in September 2009 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,758,600. Since September 2008, Kentucky's nonfarm employment has plummeted by 86,400.

"This represents the largest monthly employment decline on records dating back to January 1990 and the 19th month of job losses since the recession commenced in December 2007," Detzel said. "Since the start of the recession, employment in Kentucky has decreased by 113,800 positions."

According to the seasonally adjusted employment data, Kentucky's construction sector added 400 positions in September 2009. Since September 2008, employment in the construction sector has fallen by 16,500 jobs.

"This is the first increase in the number of jobs in the construction sector since April 2009, reflecting the start of multiple commercial and public works construction projects," said Detzel.

The government sector, which includes public education, public administration agencies and state-owned hospitals, plummeted by 6,400 jobs in September 2009. The sector has 4,500 fewer jobs compared to September 2008.

"This represents the sixth time in the last eight months employment in the public sector has dropped. The decline in the number of professionals is indicative of the budget crisis facing Kentucky and reflects a decrease in the number of jobs in the state government and local government subsectors, including cutbacks at public schools," Detzel said.

The state's leisure and hospitality sector reported an employment decrease of 1,800 jobs in September 2009. Since September 2008, employment in the sector has declined by 600 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"Year-over-year employment losses in the accommodation and food services industry outweighed year-over-year job gains in arts, entertainment, and recreation businesses which included the openings of multiple recreation and entertainment facilities and two new spectator sports teams," Detzel said.

The financial activities sector dropped by 1,600 positions in September 2009. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 4,900 positions over the past 12 months.

Kentucky's trade, transportation and utilities sector lost 1,600 jobs in September 2009. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 362,800 employees. Since September 2008, the number of jobs in this sector has fallen by 18,300.

"Year-over-year job losses are predominantly in transportation, warehousing, and utilities businesses. However, wholesale trade establishments and retail trade enterprises have also endured significant employment declines since September 2008. As households tightened their belts over the last year, retailers suffered declining sales, enacted layoffs, and closed underperforming stores. Likewise, wholesalers suffered layoffs as weak demand for products trickled back through the supply chain," Detzel said.

The state's professional and business services sector fell by 1,200 positions in September 2009. This area has lost 9,400 employees since September 2008. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support and waste management, including temporary help agencies.

Kentucky's manufacturing sector lost 1,100 jobs in September 2009. Compared to September 2008, jobs in the sector plummeted by 31,500.

"The manufacturing sector lost 1,100 jobs in September 2009, for a total of 208,900 professionals. This marks the 15th time in the last 16 months that industrial employment has fallen. Job losses were concentrated in the durable goods subsector, reflecting layoffs at a number of automobile parts manufacturers, the closing of another automobile parts producer, and the closing of a durable goods plant," Detzel said.

The educational and health services sector dropped by 1,000 jobs in September 2009. The sector had 500 fewer workers in September 2009 than September 2008. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, fell by 100 positions in September 2009. This sector had 200 fewer jobs in September 2009 than in September 2008.

The information sector dropped by 100 positions in September 2009. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 700 positions since September 2008.

The mining and logging sector had 100 fewer jobs in September 2009. The sector has added 700 workers since September 2008 because of hiring in the coal mining industry.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for September 2009 was 1,842,078 on a seasonally adjusted basis. This figure is up 5,026 from the 1,837,052 employed in August 2009, but down 66,051 from the 1,908,129 employed in September 2008.

The monthly estimate of the number of unemployed Kentuckians for September 2009 was 225,214, down 5,486 from the 230,700 Kentuckians unemployed in August 2009, but up 84,089 from the 141,125 unemployed in September 2008.

The monthly estimate of the number of Kentuckians in the civilian labor force for September 2009 was 2,067,292. This figure is down 460 from the 2,067,752 recorded in August 2009, but up 18,038 from the 2,049,254 recorded in September 2008.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeapp.htm>.